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December 15, 2005

Brad Benning  
USEPA Region V  
Mail Code SE-5J  
77 West Jackson Boulevard  
Chicago, Illinois 60604

Re: Lavin

Dear Brad:

I wanted to update you on the status of the remaining work at the Lavin facility. Lavin has completed the removal of all of the drums that have been consolidated in the furnace room. The cost of that work turned out to be substantially larger than the original bid because many additional drums were located and moved to the furnace room. In total, Lavin removed approximately 85 drums of various materials from the furnace room and an additional 11 pallets or boxes of other items. Pursuant to the order entered in the bankruptcy court, Lavin used the environmental escrow from the CNA settlement to pay for this effort. Given the cost overrun, however, and the need to charge the same escrow for the cost of completing the AOC Completion Report, it does not appear that there will be any funds remaining in the escrow to accomplish any other tasks under the terms of the bankruptcy court order approving the CNA settlement.

Lavin also has completed the work for the AOC project. ONYX removed the roll off boxes of sludge on December 6, 2005. You already have seen and approved the results of the three wipe tests taken from the Northeast tank after it was powerwashed. We have begun to prepare the AOC completion report. As I previously explained in my discussions with Rob Darnell, the requirements in the AOC for the level of detail in that report are substantial and will be costly to prepare. We are doing our best to assemble the requested information and to present it in an effective way. We should be able to submit that report in January, 2006 for your review.



In the meantime, in the event that you have any questions, please give me a call.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. Reott', with a stylized flourish at the end.

Raymond T. Reott  
RTR/ld

CC: Rob Darnell  
David Abrams  
Chad Gettleman  
Jorge Mihalopoulos